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C O N F I D E N T I A L SECTION 01 OF 03 MANAGUA 000542

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WHA/CEN, H FOR MARK SMITH

E.O. 12958: DECL: 02/28/2017

TAGS: [PGOV](#) [PINR](#) [KDEM](#) [NU](#) [PREL](#)

SUBJECT: CODEL NELSON MEETS WITH VICE PRESIDENT MORALES

Classified By: Ambassador Paul A. Trivelli. Reasons 1.4 (B,D).

¶1. (C) Summary: In Senator Nelson's meeting with Nicaraguan Vice President Jaime Morales, he noted his commitment to fostering friendship between the American and Nicaraguan peoples and good relations between their two governments. Morales sought the Senator's support for TPS renewal for Nicaraguans residing in the United States, more counter-narcotics assistance, and an expansion of the Millennium Challenge Account (MCA) program and funding. Morales praised the success of CAFTA thus far and noted that Nicaragua will also take advantage of the Venezuelan trade agreement ALBA. While the Vice President understood the Senator's view that Nicaragua's MANPADS pose a threat if they fall into the wrong hands, Morales asserted that their destruction must be considered within the context of a regional security balance. End Summary.

¶2. (U) In Senator Nelson's February 19 meeting with Nicaraguan Vice President Jaime Morales, he explained that he had come to Nicaragua on a mission of peace to help pave the way for good relations and reconciliation between the two governments. Nelson noted that some people in other countries want to drive a wedge between the United States and Nicaragua, but good bilateral relations will prevent this from occurring. He recounted his success in meeting with difficult leaders, referring to his meeting with Venezuelan President Chavez a few years ago and a more recent meeting with President Asad of Syria. He also shared his plans to meet next with Ecuadorian President Correa and Bolivian leader Morales.

¶3. (C) Visibly pleased with the Senator's message, Morales assured the Senator that the desire for friendship is mutual. Replying to the Senator's query regarding Morales' background, the Vice President recounted his own personal experience as a former Contra leader and the chief negotiator of the peace accord between the Contras and Sandinistas. Morales explained that he had learned to forgive and move on -- eventually to the point of accepting Ortega's offer to run on the FSLN ticket for the good of his country -- even though Ortega had confiscated his property and belongings in the early 1980s. He revealed that Ortega had once told him that it is hard to ask for forgiveness, but even harder to forgive. Similarly, misunderstandings in the past between the United States and Nicaragua had led to difficulties. However, now that the relationship is based on mutual respect and understanding and both governments share democratic principles, Morales was confident that these differences can be surmounted. (Note: Morales has told us that he was duly

compensated for the loss of his property and belongings. Some contacts claim he was compensated twice, once by Ortega and once by the Nicaraguan government.)

14. (C) Senator Nelson referred to the black bean packing plant he visited earlier in the day as an example of productive cooperation between the two countries, adding that the Millennium Challenge Account (MCA) program in Nicaragua, including its paving of roads and property titling, is another success. Vice President Morales mentioned that he had recently spoken with the MCA country director, who told him that thanks to the MCA, Nicaragua is already exporting yucca to Senator Nelson's home state - Florida. Morales opined that the MCA is a magnificent project and inquired whether the MCA program could be expanded to other areas of the country, especially in light of the fact that the MCA programs in Honduras and El Salvador are more heavily funded. The Senator took note of this interest.

15. (C) Senator Nelson next raised CAFTA, noting his understanding that the trade agreement has already started to produce some positive results. Morales replied in the affirmative, opining that the benefits outweigh the risks. He explained that while Nicaragua was not adequately prepared to compete with the United States, training has been made available to offset this weakness. He added that while CAFTA opens an important "window," the agreement is not exclusive, as the agreement with Venezuela (ALBA) provides an additional option. The Senator replied that he had met for two hours with President Chavez. He remarked that the Iranian president appears to have lost domestic popularity as evidenced by the loss of his party in the recent municipal elections there. Morales clarified that relations with neighboring countries are more important for Nicaragua, while Foreign Minister Santos, who also attended the meeting, appeared to be surprised by the news that Ahmadinejad's popularity was slipping.

16. (C) Moving on to the subject of Man Portable Air Defense Systems (MANPADS), Senator Nelson commented that the Nicaraguan media appeared to be exercised by the subject. Nelson explained to the Vice President that he had told the press that he did not perceive Nicaragua has a threat that would merit keeping these weapons, which are largely of benefit to terrorists and whose upkeep is expensive. Neither Costa Rica's three airplanes nor Honduras' antiquated planes pose a threat to Nicaragua's sovereignty, opined the Senator.

17. (C) Morales, who suggested that the destruction of Nicaragua's MANPADS be discussed in the context of regional security, asserted that while in the spirit of the Esquipulas peace agreement Nicaragua had already destroyed over one thousand MANPADS under the Bolanos administration and reduced its troops to 15,000, its neighbors had done nothing to live up their commitment to the accord. He asserted that some countries, like Costa Rica, have huge security budgets, \$77 per capita Vs. Nicaragua's \$4 per capita, and an army "disguised as police." The Senator, who stated that he had met a few weeks ago with President Arias and it was clear that Costa Rica's security forces are purely civilian in nature, reminded Morales that the bottom line is that if one of Nicaragua's MANPADS falls into the wrong hands and is used to shoot down an airplane, the repercussions will be serious.

18. (C) Concurring with the Senator's assessment, the Foreign Minister noted that the MANPADS are well protected, thanks to U.S. assistance, and reiterated the Nicaraguan government's interest in discussing them within the context of the region's security balance. Morales remarked that he had urged former President Bolanos to seek some form of compensation - helicopters, for example, in exchange for MANPADS destruction. The Ambassador explained that our level of assistance to the Nicaraguan military is substantial, approximately \$17 million during the 2006-2007 period, including three patrol boats, eight zodiac boats, and \$750,000 worth of communications equipment.

19. (C) Expanding on the topic of security, Morales commented

that, in addition to the terrorist threat, narcotics and people traffickers are other enemies that Nicaragua is ill equipped to confront. The Ambassador explained we are providing assistance to the Nicaraguan police and military through DEA and INL. Morales suggested that additional assistance would be helpful, especially in light of the increase in drug trafficking along the Pacific coast. He mentioned that while Nicaraguan law allows the government to keep the assets seized from traffickers, "bonuses" for sizable drug busts would provide additional incentives. For example, if the Nicaraguan police seized 2,000 tons of cocaine on route to the United States, contributing boats or helicopters to Nicaragua would recognize these efforts and improve the country's ability to combat trafficking.

¶10. (C) Vice President Morales next broached the subject of Temporary Protected Status (TPS) renewal for approximately 4,000 Nicaraguans residing in the United States. The Senator replied that he has a problem with TPS in that it presents a double standard because Nicaraguans and Hondurans enjoy TPS privileges, while Haitians do not. Further, reasoned the Senator, Hurricane Mitch was years ago and now Nicaragua's government is stable and it should welcome back its citizens.

Foreign Minister Santos, who had assured the Senator in his meeting the previous day (septel) that the new government looks forward to the return of its citizens and appeared rather unnerved by the Senator's remarks, clarified that it is a matter of timing. Once the new government is on its feet, it will be better prepared to welcome home these Nicaraguans.

¶11. (U) Moving on to a less controversial topic, the Vice President said he was aware that he and the Senator share a common passion - the environment. Morales listed water resources and deforestation as Nicaragua's most significant environmental challenges and welcomed any help the U.S. could provide through the MCA or other sources. The Senator replied that his trip includes a visit to the Peruvian Amazon, adding that years ago he had witnessed destruction of the Amazon from space. Given that the Amazon produces 25% of the world's fresh water, the situation there is critical, explained the Senator. Morales concurred and predicted that in the near future water will become more expensive than petroleum. Thus it is incumbent upon Nicaragua to protect its water resources, including 8,000-square kilometer Lake Nicaragua.

¶12. (U) Participants:

Nicaragua:

Vice President Jaime Morales  
Foreign Minister Samuel Santos  
VP Secretary General Luis Ventura

U.S.:

Senator Nelson  
Ambassador Paul Trivelli  
DCM Peter Brennan  
Ms. Carolina Tess  
Ms. Sherry Davich  
Captain Gene Moran  
Polcouns/notetaker Victoria Alvarado  
Control Officer Irene Marr

¶13. (U) This cable was cleared by Codel Nelson  
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